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July 8, 2011

Ms. Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E. Street, S.W.
Washington, D.C. 20423

ENTERED
Office of Proceedings

JUL 08 2011

Part of
Public Record

Re: **Finance Docket 30186 (Sub No. 2), Tongue River Railroad Co. --
Rail Construction and Operation -- Ashland to Decker, Montana.**

Dear Ms. Brown:

230586

I am submitting, on behalf of the Tongue River Railroad Company, an original and ten copies of its four-month progress report for the latest four-month period, pursuant to the Surface Transportation Board's decision served November 8, 1996 in FD 30186 (Sub-No. 2.)

Please note that a copy of the four-month report has been served only on the Parties of Record identified in the Surface Transportation Board's complete service list served October 3, 2003 and amended in a notice served by the Surface Transportation Board on October 24, 2003 in the above proceeding. We will continue to serve the four-month report on these parties.

Sincerely,



Betty Jo Christian
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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 30186 (SUB-NO. 2)

**TONGUE RIVER RAILROAD COMPANY – CONSTRUCTION AND
OPERATION – ASHLAND TO DECKER, MONTANA**

**FOUR-MONTH REPORT
OF TONGUE RIVER RAILROAD COMPANY, INC.**

Betty Jo Christian
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Attorney for Tongue River Railroad
Company, Inc.

July 8, 2011

TONGUE RIVER RAILROAD COMPANY, INC.

**Four-Month Report
To the
Surface Transportation Board**

July 8, 2011

The Surface Transportation Board ("Board") served its decision in STB Finance Docket No. 30186 (Sub-No. 3) on October 9, 2007 granting the application of Tongue River Railroad Company, Inc. ("TRRC") to construct and operate a 17.3-mile rail line known as the Western Alignment in Rosebud and Big Horn Counties, Montana. The decision became effective on November 8, 2007.

Certain parties sought judicial review of the Board's decision by filing petitions for review in the U.S. Court of Appeals for the Ninth Circuit. Briefs have been filed and the case has been set for oral argument before a panel of the Ninth Circuit on July 11, 2011.

Subsequent to the Board decision in November 2007, the Northern Plains Resource Council and Mark Fix filed a Petition to Re-open with the Board on July, 26, 2010. The petition was opposed by TRRC. On June 14, 2011, the Board issued a decision denying the Petition to Re-open.

TRR has continued to engage in the Programmatic Agreement process with the Board. A meeting was held in Rapid City, South Dakota, on June 21 – 23, 2011, and an additional meeting is being planned for early August.

On July1, 2011, all of the stock of Tongue River Railroad Company, Inc. was sold to Tongue River Holding Company, LLC, a Delaware limited liability company, in which BNSF Railway Company holds a 33⅓ % membership interest; Arch Coal, Inc. holds a 33⅓ % membership interest; and a non-rail private investment entity holds a 33⅓ % membership interest.

CERTIFICATE OF SERVICE

I hereby certify that on this 8th day of July, 2011, a copy of the foregoing document was served via first class mail, postage prepaid, to the following Parties of Record:

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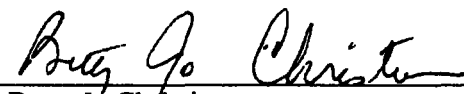
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Date: July 8, 2011